

**EXHIBIT C**

**CRO ENGAGEMENT LETTER**



**CONFIDENTIAL**

December 27, 2022

Via Email

Zachary Prince  
Chief Executive Officer  
BlockIT Inc.  
201 Montgomery St #263  
Jersey City, NJ 07302

**Re: BlockIT - CRO Advisory Services**

Dear Zach:

This letter confirms the engagement of Mark A. Renzi of Berkeley Research Group, LLC ("BRG") as Chief Restructuring Officer ("CRO") for BlockIT Inc. and its debtor affiliates (collectively with its debtor affiliates, the "Company"). It is understood that the CRO appointment is subject to approval of the Company's board. The CRO's engagement team will include professional staff from BRG (the "Additional Personnel"). This letter and any amendments set forth the agreement ("Agreement") between the parties. This letter replaces and supersedes in all respects the engagement letter dated November 17, 2022 by and between BRG and BlockIT Inc., as amended from time to time.

**SCOPE OF SERVICES**

The Company has requested that the CRO and Additional Personnel provide the following professional services as independent consultants ("Services").

- a. In consultation with management of the Company and subject to the approval of the Board of Directors of the Company, develop and implement a chosen course of action to maximize asset value and maximize recoveries to stakeholders.
- b. Diversify the activities of the Company in consultation with other advisors and practitioners to implement the selected course of action.
- c. Assist the Company and its management in developing cash flow projections and related methodologies and assist with planning for alternatives as requested by Company.
- d. Assist the Company in preparing for and operating in a Chapter 11 bankruptcy proceeding, including negotiations with stakeholders and the formulation of a reorganization strategy and plan of reorganization directed to conserve and maximize value.
- e. Assist as requested by management in connection with the Company's development of its business plan, and such other related documents as may be required by creditor constituents in connection with negotiations.



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1. Provide information deemed by the CRO to be reasonable and relevant to stakeholders and consult with key constituents as necessary.
2. To the extent reasonably requested by the Company, offer testimony before the Bankruptcy Court with respect to the services provided by the CRO and the Additional Personnel and participate in depositions, including by providing deposition testimony, related thereto.
3. Such other services as mutually agreed upon by the CRO, BRG and the Company.

The Company agrees that (i) Mr. \_\_\_\_\_ will provide services as CRO as required, and (ii) the CRO may retain as consultants on behalf of the Company other members or employees of BRG. The Company agrees that the CRO will continue to be an employee of BRG, and may continue to provide his services at other companies during the term of this Agreement. The Company acknowledging that \_\_\_\_\_ is an employee of BRG, BRG must release the CRO from his full-time obligations to BRG in order for the CRO to perform services hereunder, and therefore to compensate BRG for the loss of full-time access to the CRO or any Additional Personnel providing services hereunder, all payments for the time charges of the CRO or Additional Personnel providing services hereunder to Company shall be made to BRG.

The CRO and Additional Personnel employed and/or engaged by the Company under this Agreement are independent contractors and are not, and will not be deemed to be employees of the Company.

#### FEES & EXPENSES

The CRO's fees for provision of the services set forth in this Agreement will be \$180,000 per month, and fees for the Additional Personnel will be based on the <sup>initial</sup> rates charged at BRG's standard hourly rates, which are in effect when the services are rendered ("Professional Fees"). Hourly rates may change in the future from time to time and are typically adjusted annually. BRG's current hourly rates are as follows:

Managing Directors	\$1,000 - \$1,250
Directors & Associate Directors	\$810 - \$990
Professional Staff	\$395 - \$795
Support Staff	\$375 - \$525

In addition to Professional Fees, BRG will be reimbursed for actual and project expenses, including, but not limited to, travel, research, legal counsel, and applicable auto expense, and other other expenses, provided that the aggregate expenses shall not exceed \$25,000 in the aggregate without Client's prior written consent (such consent not to be unreasonably withheld or delayed). BRG will provide a reasonably itemized statement of expenses incurred in this engagement, and shall provide copies of original invoice or other documentation on requests expenses over \$75 upon request. Client shall reimburse BRG for reasonable business expenses less than \$75 without a copy of the original invoice or other documentation.

<sup>1</sup> Mileage rate subject to change with the consent the Company if delay is driven by factors outside of BRG's control.



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BRG will provide Client a summary of fees and expenses for services rendered on a weekly basis. BRG will bill for services every two (2) weeks and will provide customary documentation regarding the services rendered. BRG will provide additional details regarding services rendered upon request by Client. BRG's invoices statements shall be paid within seven (7) days of the invoice date. Client agrees that it will review BRG's invoices upon receipt and will advise BRG of any objection to or dispute with the invoices and the work reflected in the invoices within seven (7) days of the invoice date.

Without liability, BRG reserves the right to withhold delivery of Services, terminate, reduce or limit (written or oral), or suspend work, if the account on the engagement is not current or late, payment changes of one percent (1%) per month (or the maximum rate permitted by law, whichever is less) may be added to any outstanding invoices, at the firm's option.

Please remit payment by mail to:

Account Name: Berkeley Research Group, LLC  
Account No.: 80008667  
Bank: PNC Bank, N.A.  
ABA No.: 031207607  
remittance@brg.org

**COMPLETION FEE**

A Completion Fee is a customary and integral component of compensation in an engagement of this type. The Company will pay BRG a Completion Fee of (i) \$750,000 if a going concern or court sale (with respect to a majority of the assets of the Company) Chapter 11 Plan is confirmed (or opposed to a self-liquidating Chapter 11 Plan) (to the avoidance of delinquent fees, which in the aggregate do not represent a majority of the assets of the Company shall not constitute an asset sale) (either 1) Party, and (ii) an additional \$750,000 if a Chapter 11 Plan is confirmed on or before July 15, 2022<sup>1</sup>. Any earned Completion Fee will be credited against any Professional fees incurred following July 15, 2022.

Notwithstanding the foregoing, in no event shall BRG be entitled to any Completion Fee in respect of any transaction consummated after a confirmation of BRG's engagement if (i) the Agreement is terminated (i) by BRG or (ii) as the result of BRG's (or any other Indemnified Person's) material breach of this Agreement, gross negligence, fraud, or willful misconduct. The Company fee will be due and payable upon consummation of the plan of reorganization or upon the close of such sale transaction. BRG understands that any compensation arrangement set forth in this Agreement shall be subject to the approval of the Bankruptcy Court.

**CASH ON ACCOUNT**

Initially, the Company will forward to BRG the amount of \$250,000, which funds will be held "on account" to be applied to BRG's Professional fees, charges and disbursements relating to engagement (the "Initial Cash on Account"). To the extent that this amount exceeds BRG's fees, charges and disbursements upon the completion of the engagement, BRG will submit an account statement. The Company agrees to increase or supplement the Initial Cash on Account from time to time during the course of the engagement in such amounts as the Company and BRG mutually

<sup>1</sup> Milestone date subject to change with the consent the Company if delay is driven by factors outside of BRG's control



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shall agree are reasonably necessary to increase the Initial Cash on Account to a level that will be sufficient to fund Professional Fees, charges, and disbursements to be incurred.

Upon termination of an invoice, BRG may immediately draw upon the Initial Cash on Account for repayment from time to time in the amount of the invoice. The Company agrees upon submission of each such invoice to promptly wire the invoice amount to BRG as repayment of the Initial Cash on Account together with any supplemental amount (subject to BRG and the Company mutually agree), without prejudice to the Company's right to advise BRG of any differences it may have with respect to such invoice. BRG has the right to apply to any outstanding invoices (including amounts billed prior to the date hereof), up to the remaining amount, if any, of the Initial Cash on Account (as may be supplemental from time to time) at any time subject to (and without prejudice to) the Company's opportunity to review BRG's invoice.

## COMPANY RESPONSIBILITIES

The Company will undertake responsibilities to (a) provide relevant and accurate reported information, materials, and documentation and (b) make decisions and take instructions as the Company determines in its sole discretion, on any recommendations made by the CRO in connection with this Agreement. BRG's delivery of services and the fees charged are dependent on the Company's timely and effective communication of responsibilities and timely decisions and approvals made by the Company's management.

In connection with any Chapter 11 filing, the Company shall apply promptly to the Bankruptcy Court for approval of the Company's retention of the CRO and DRO under the terms of this Agreement. In form of motion, application and proposed order shall be reasonably acceptable to BRG. BRG shall have no obligation to provide any further services unless (a) it's retention under the terms of this Agreement is approved by a final order of the Bankruptcy Court reasonably acceptable to BRG. The Company shall assist or ~~cause~~ (cause) to assist with filing, serving and noticing of papers related to BRG's fee and expense application. The CRO and DRO reserve the right to request approval of additional compensation in circumstances where extraordinary results may warrant such additional compensation.

## CONFIDENTIALITY

BRG shall not disclose any confidential or privileged information to any third party, provided, however, that BRG may disclose confidential or privileged information (a) to BRG's employees, officers, vendors, or agents (collectively, "Representatives") who provide services in connection with this engagement on a confidential and need-to-know basis; (b) to BRG, shall be responsible for the breach of these confidentiality terms, by such Representative; (b) to Client's attorney, provided, to (c) where, legally required to do so. Both parties agree that confidential and proprietary information will not be construed to include information that is available from public sources or sources not subject to obligation of confidentiality to Client. Work papers associated with BRG's consulting services are the confidential property of BRG.

## CONFLICTS OF INTEREST

<sup>1</sup> Milestone date subject to change with the consent of the Company if delay is driven by the firm outside of BRG's control.



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BRG engaged by many other companies and individuals. It is possible that some of BRG's past, current or future clients and/or may have disputes or other matters that are adverse to or may not be consistent with the interests of Client. BRG reserves the right to make unrelated engagements during and after this engagement by Client, consistent with BRG's internal policies. BRG will not be required to disclose any such unrelated engagements to Client. BRG will not follow procedures to control the confidentiality of information provided by Client if the source of this engagement.

## ARBITRATION

This Agreement shall be interpreted and controlled by the laws of the state of Delaware. Any controversy, dispute, or claim between Client and the one hand and BRG on the other hand or whatever nature, arising out of, in connection with, or in relation to the interpretation, performance or breach of this agreement, including any claim based on contract, tort, or statute ("Claims"), shall be resolved at the request of any party to this agreement, by final and binding arbitration administered by Judicial Arbitration & Mediation Services, Inc. ("JAMS"), or its successor entity, pursuant to the Commercial Arbitration Rules & Procedures, and judgments upon any award rendered by the arbitrator may be entered by any state or Federal court having jurisdiction thereof. Any such arbitration shall take place exclusively in Massachusetts. The prevailing party shall be entitled to reasonable attorney's fees and costs incurred in any arbitration or litigation brought in connection with this Agreement, as well as reasonable attorney's fees and costs incurred in connection with any action to enforce any judgment entered by the arbitrator in any such hearing proceeding. If a party to any arbitration proceeding, final and non-appealable order is rendered or fails to pay any costs of the arbitration required to be paid by such party in the time required for payment, the arbitrator is authorized to provide an appropriate remedy, including an entry of a default and an injunction against the parties against such party.

## INDEMNIFICATION & LIMITATION OF LIABILITY

The Company shall indemnify, hold harmless and defend the CRO, Additional Personnel, and HHC and its officers, partners, directors, officers, employees and agents (collectively, the "BRG Parties") from and against all claims, liabilities, losses, expenses and damages (collectively, "Liabilities") arising out of or in connection with the engagement of the CRO and HHC that is the subject of this Agreement, except such Liabilities that result from the gross negligence or willful misconduct of the HHC Parties. The Company shall pay damages and expenses, including reasonable legal fees and disbursements of counsel as incurred in advance.

In addition to the above indemnification and advancement, any BRG employees serving as directors or officers of the Company or affiliates will receive the benefit of the most favorable indemnification and advancement provisions provided by the Company to its directors, officers and any equivalently placed employees, whether under the Company's charters or by-laws, by contract or otherwise.

The Company shall specifically include and cover the CRO and any other employees and agents as directors or officers of the Company or affiliate from time to time without coverage under the Company's policy for liability insurance covering directors, officers and equivalently placed employees ("D&O insurance"). Prior to accepting any other position,



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the Company shall, at the request of BRG, provide BRG a copy of Company's current D&O policy, a certificate of insurance evidencing the policy is in full force and effect, and a copy of the signed board resolution and any other documents BRG may reasonably request evidencing the appointment and coverage of the insurance(s). Company will maintain such D&O insurance coverage for the period through which claims are made against such persons. Company also has a right to distribution from the D&O insurance coverage with respect to such persons in the event that the Company is unable to include HRG employees and agents under the Company's policy or does not have the dollar amount comparable to BRG's coverage for at least \$10 million (e.g., there are outstanding or threatened claims against officers and directors alleging prior acts that may give rise to a claim). BRG may at its option, attempt to purchase a separate D&O insurance policy that will cover HRG employees and agents only. The cost of the policy shall be allocated to the Company in an equal pro-rata manner. If BRG is unable or unwilling to purchase such D&O insurance, then BRG reserves the right to terminate the Agreement.

Notwithstanding any other provision in this Agreement to the contrary, the Company's indemnification and defense costs of BRG shall be primary in case of a claim against any similar indemnification and defense obligations of BRG, its affiliates and interests to the indemnity (which shall be secondary), and the Company's D&O insurance coverage for the indemnities shall be specifically primary to (and without allocation against) any other valid and enforceable insurance coverage that may apply in the indemnities (unless provided by BRG or otherwise).

IN SO EVENT SHALL THE COMPANY, THE CRO, ADDITIONAL PERSONNEL, HRG OR BRG PERSONNEL, WHO SERVE AS OFFICERS OF THE COMPANY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, DIRECT, OR CONSEQUENTIAL DAMAGES OF ANY KIND IN CONNECTION WITH THIS AGREEMENT, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE CRO AND BRG SHALL NOT BE LIABLE TO THE COMPANY, OR ANY PARTY ASSERTING A CLAIM ON BEHALF OF THE COMPANY, EXCEPT FOR DIRECT DAMAGES FOUND IN A FINAL DETERMINATION TO BE THE DIRECT RESULT OF THE BAD FAITH, SELF-DEALING, OR INTENTIONAL MISCUNDIVELY OF THE CRO'S AGGREGATE LIABILITY, WHETHER IN CONTRACT, CONTRACTUAL, OR OTHERWISE, IS LIMITED TO TWO TIMES THE AMOUNT OF FEES PAID TO BRG FOR SERVICES UNDER THIS AGREEMENT (THE "LIABILITY CAP"). THE LIABILITY CAP IS THE TOTAL LIMIT OF BRG'S AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS OR DEMANDS BY ANYONE PURSUANT TO THIS AGREEMENT, INCLUDING LIABILITY TO THE COMPANY, TO ANY OTHER PARTIES HERETO, AND TO ANY OTHERS MAKING CLAIMS RELATING TO THE WORK PERFORMED BY BRG PURSUANT TO THIS AGREEMENT. ANY SUCH CLAIMANTS SHALL ALLOCATE ANY AMOUNTS PAYABLE BY BRG AND IN ITEM-SALVIA AN APPROPRIATE, BUT IF THEY CANNOT AGREE ON THE ALLOCATION, IT WILL NOT AFFECT THE ENFORCEABILITY OF THE LIABILITY CAP. UNDER NO CIRCUMSTANCES SHALL THE AMOUNTS OF ALL SUCH ALLOCATIONS OR OTHER CLAIMS AGAINST BRG PURSUANT TO THIS AGREEMENT EXCEED THE LIABILITY CAP.

## TERMINATION

<sup>1</sup>Milestone date subject to change with the consent the Company if delay is driven by factors outside of BRG's control.



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Client or BRG may terminate this engagement upon ten (10) days written notice. In the event the engagement is terminated prior to the completion of services, Client agrees to pay BRG for all Professional Fees and expenses incurred through the termination date.

## OTHER TERMS

The Company agrees that if any members or employees of BRG are required to testify in any administrative or judicial proceeding relating to this engagement, whether during or after the term, the CRO and BRG will be compensated by the Company for associated time charges in the regular hourly rate, for each person(s) in effect at the time, and reimbursed for reasonable costs of travel expenses including counsel fees and expenses.

The interpretation and application of the terms of this Agreement shall be governed and construed in accordance with the laws of the state of Wyoming. The prevailing party shall be entitled to reasonable attorney's fees and costs incurred in any litigation brought in connection with this Agreement, as well as reasonable attorney's fees and costs incurred in appealing or in connection with any action to enforce any judgment entered in any court having jurisdiction.

No waiver by any party and the breach of any of the provisions of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, assigns, legal representatives, executors, administrators and heirs. The parties may not assign this Agreement or any rights or obligations hereunder to any party without the prior written consent of the other party. Each of the provisions of this Agreement is a separate and distinct agreement and independent of all others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of any other provisions hereof. No amendment or modification of this Agreement shall be effective unless in writing and signed by both parties hereto.

The Company warrants that it has all necessary right, power and authority to enter into and perform this Agreement and that the execution, delivery and performance by the Company of this Agreement will not, with or without the giving of notice or the passage of time, or both, (a) violate the provisions of any law, rule or regulation applicable to the Company; (b) violate any judgment, decree, order or award of any court, governmental body or organization applicable to the Company; or (c) conflict with or violate any agreement to which the Company is a party or by which it is bound.

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We look forward to working with you on this matter. Please sign and return a copy of the  
agreement<sup>1</sup> confirming your agreement with the terms and provisions herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric R. Miller".

Eric R. Miller  
General Counsel

AGREED AND ACCEPTED

BlockFi Inc.

By

A handwritten signature in black ink, appearing to read "Zachary P. Rose, P.C.".

Dated 12.27.22

<sup>1</sup> Milestone date subject to change with the consent the Company if delayed induced by factors outside of  
BRG's control